



FACING FEAR

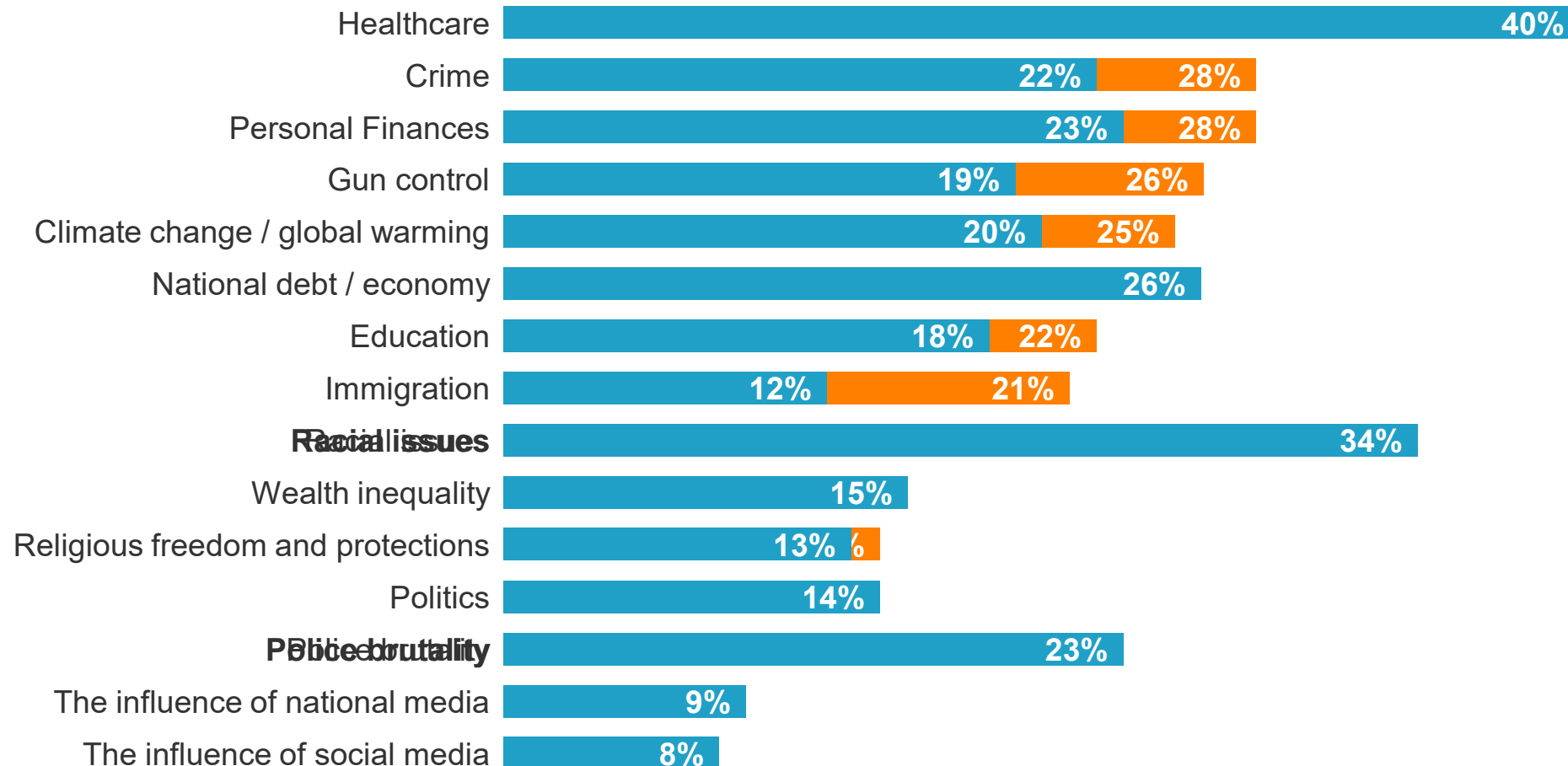
UNDERSTANDING ANXIOUS CONSUMERS

December 1, 2020

Converge

FEARS RANKED IN TOP 3 BY AMERICANS

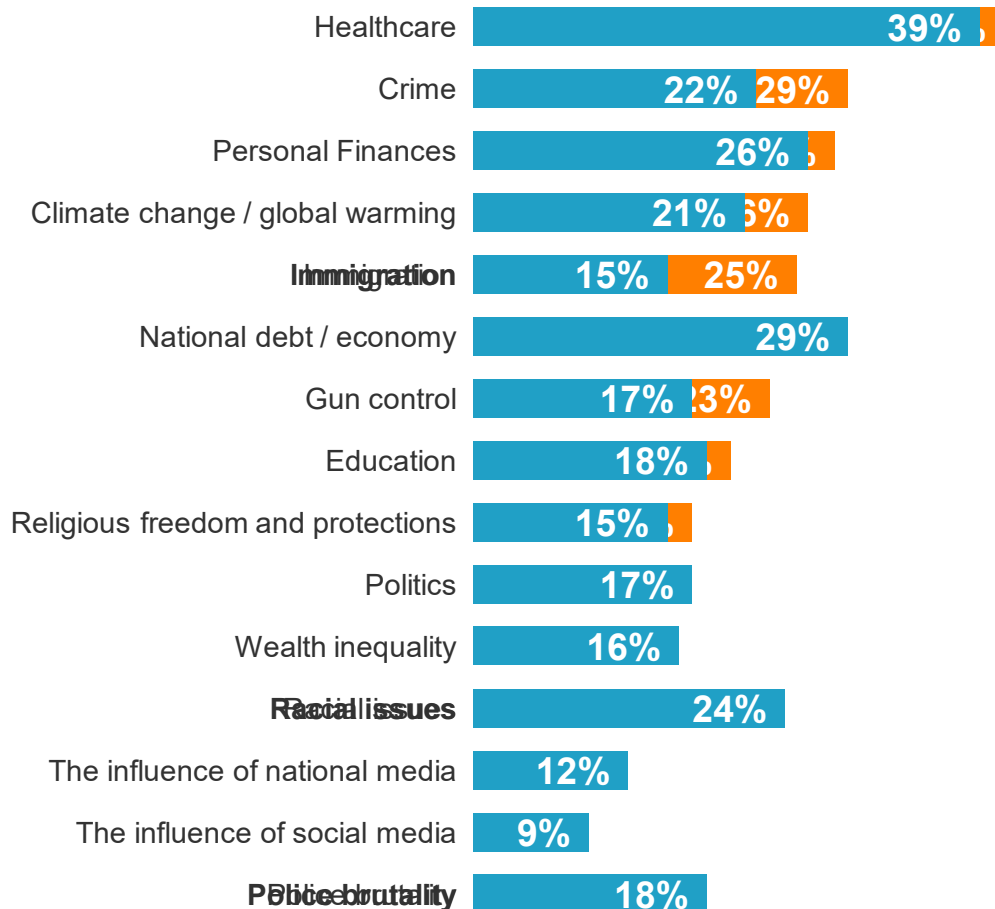
Wave 2



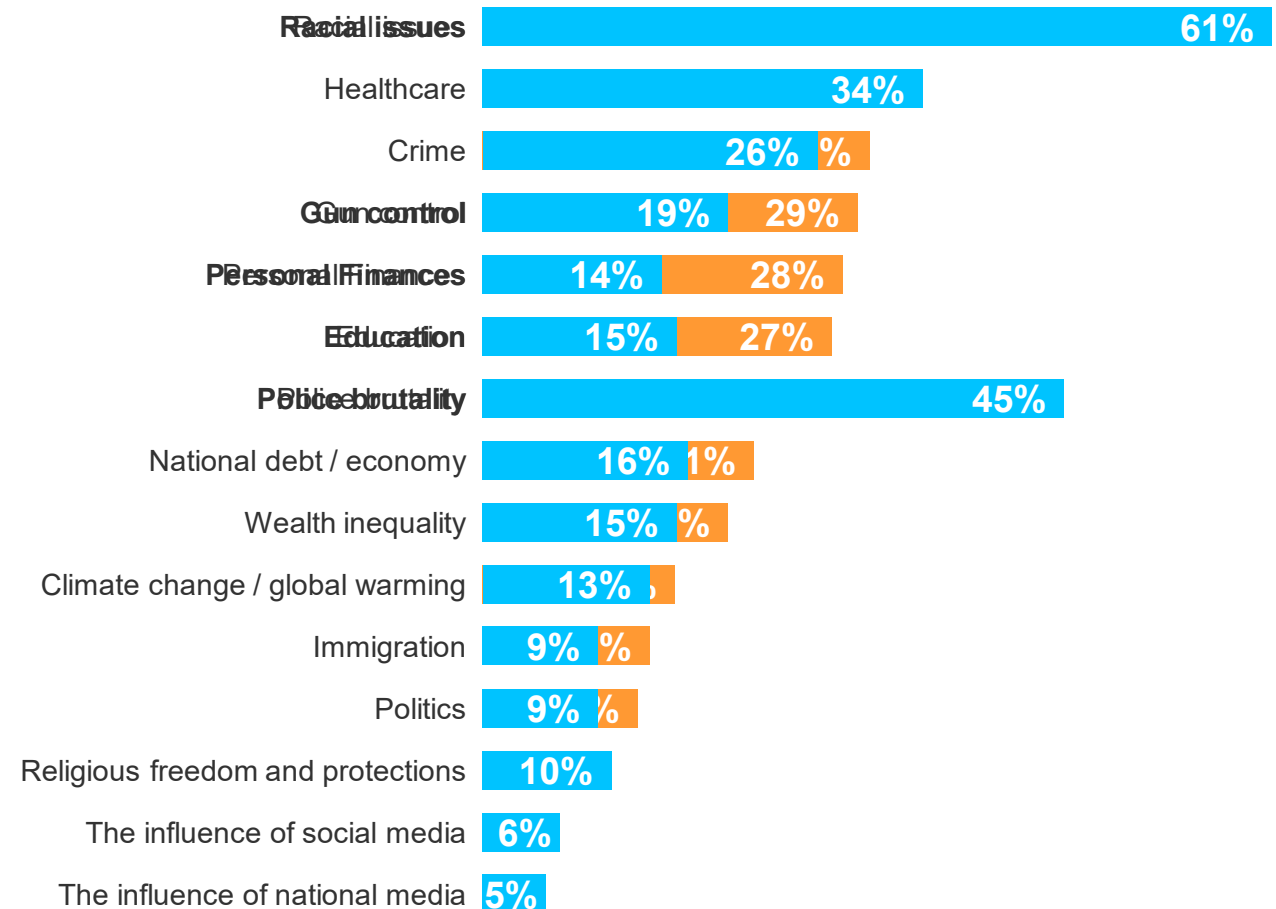


FEARS RANKED IN TOP 3 BY AMERICANS

WHITE Wave 2



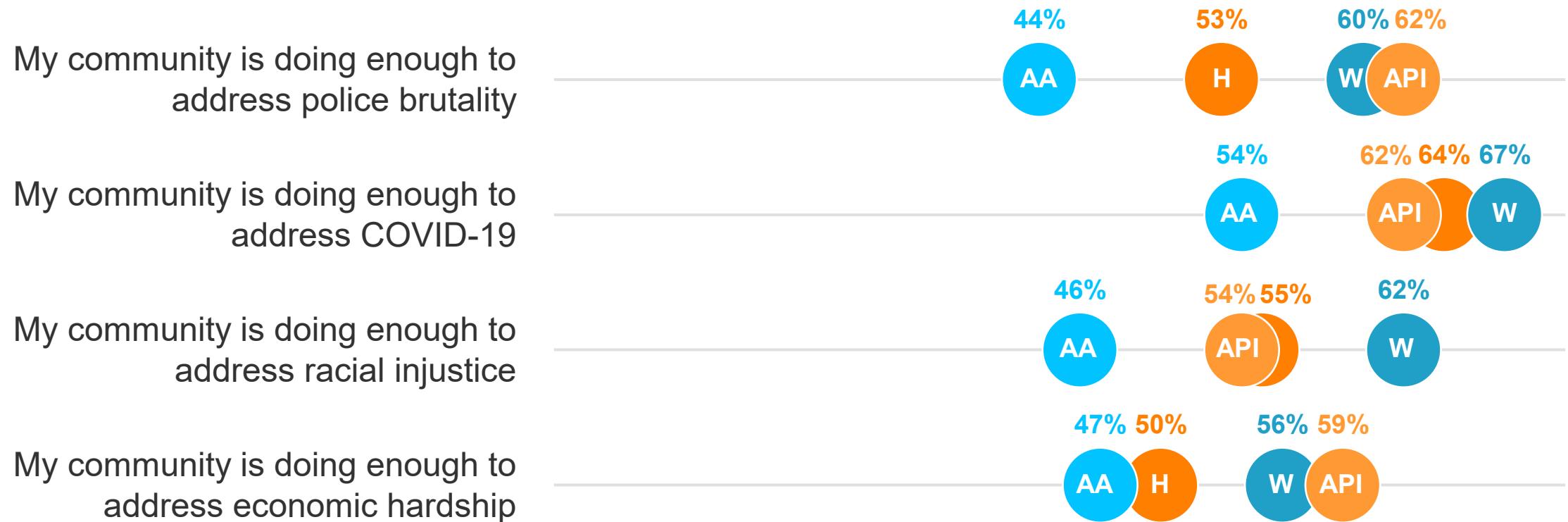
AFRICAN AMERICAN Wave 2





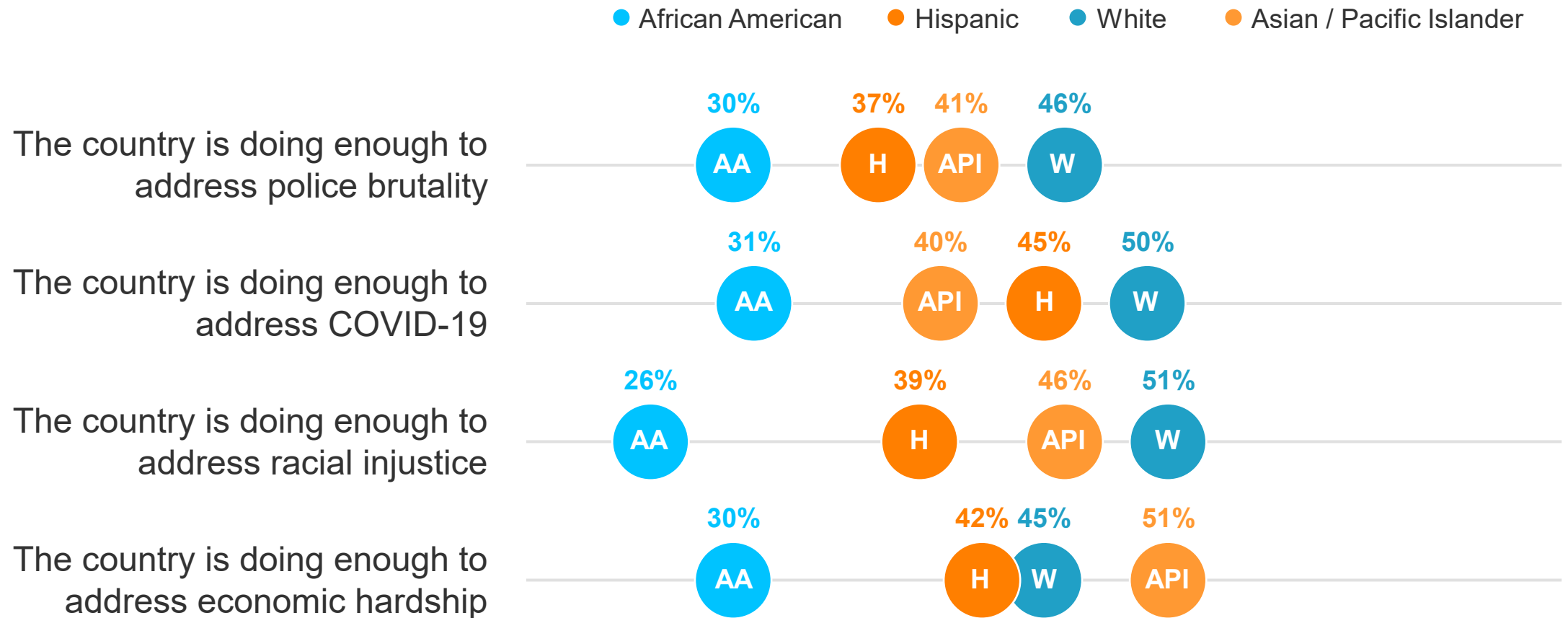
HOW COMMUNITY IS HANDLING SOCIAL ISSUES

● African American ● Hispanic ● White ● Asian / Pacific Islander



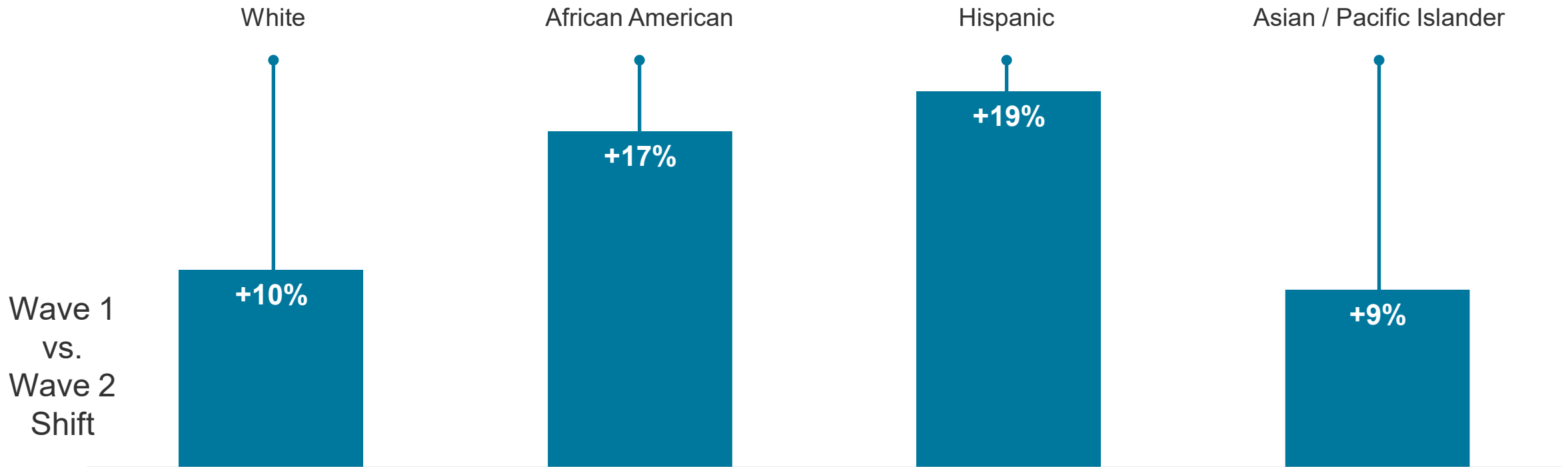


HOW **COUNTRY** IS HANDLING SOCIAL ISSUES

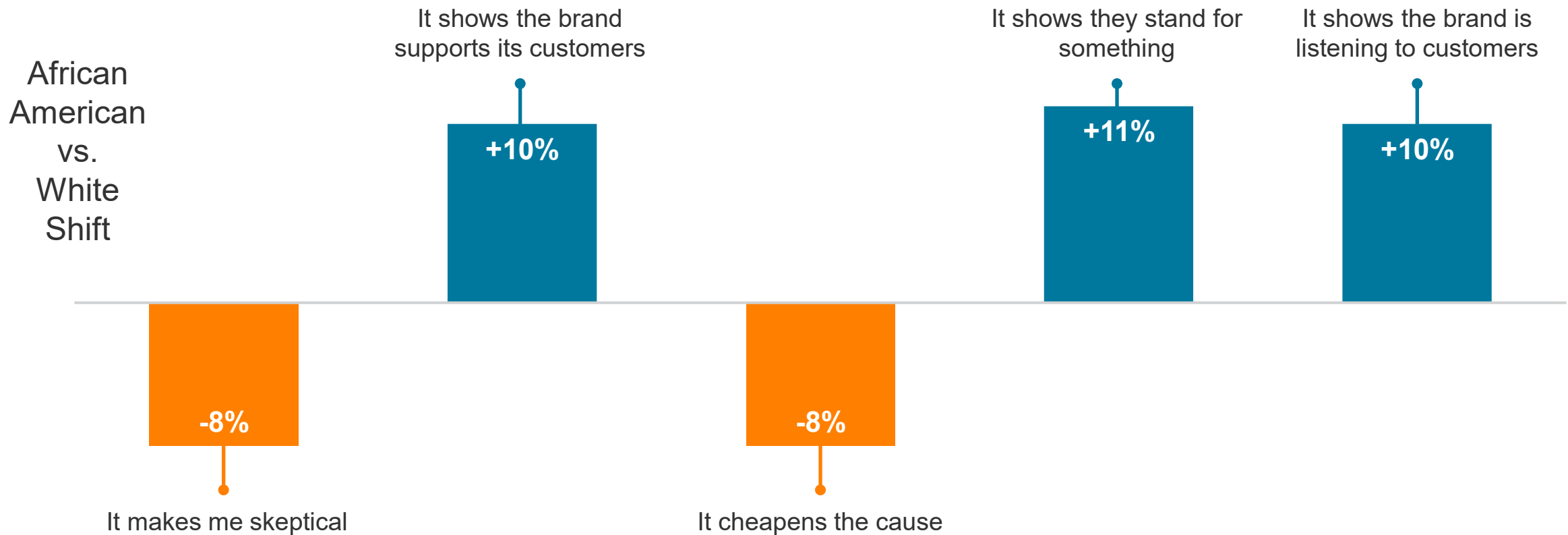


BRANDS BECOMING PART OF THE POLITICAL CONVERSATION

.... Much/Somewhat more likely to buy their product



BUT STILL A DOUBLE-EDGED SWORD THAN CAN POLARIZE CONSUMERS



5.5x

Increase from 2019 in TV
spending on ads with a
racial justice message

“

Dear business colleagues – if you really want to help heal this country here’s step one: Pay your f***ing taxes. Until you’re willing to do that, please instruct your marketing departments to spare us the high-minded pieties.

BOB HOFFMAN

FOUNDER HOFFMAN/LEWIS

THANK YOU

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SEEING & DECODING COVID-19'S EVOLVING IMPACT ON U.S. CONSUMERS

NOVEMBER 2020

This report has been prepared by NAILBITER in
collaboration with RB and Campbell's



NAILBITER

Campbell's



1,000+

CONSUMERS AND SHOPPERS
ACROSS TOTAL US

30

RETAILERS IN-STORE AND ONLINE
FOOD, DRUG, MASS, DOLLAR, AND ONLINE

50+

MEASURES
UNIQUE BRAND, CATEGORY AND RETAILER LEVEL
MEASURES OBSERVED

25

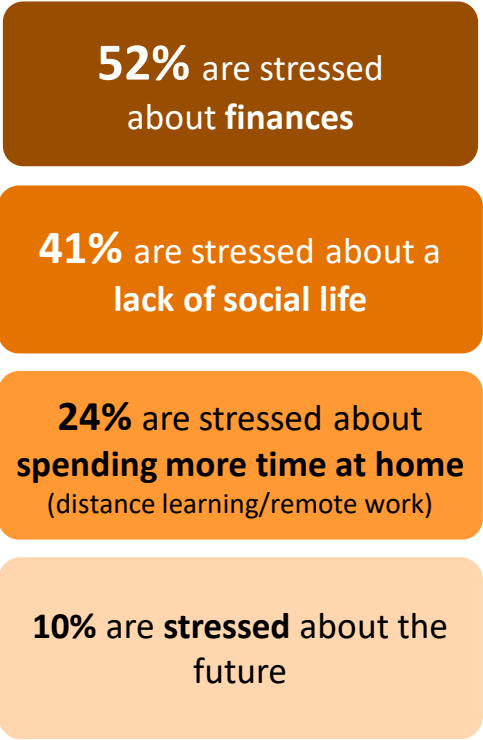
CATEGORIES
ACROSS THE CPG SPECTRUM

FIELDING FROM
OCTOBER 13th to NOVEMBER 2nd




COVID-19 has brought high levels of stress into consumers' lives. Finances, isolation, and changes to day-to-day life have left many struggling with the current state of their lives. Although Physical Health remains a concern during the pandemic, more consumers are concerned about their Mental well being.

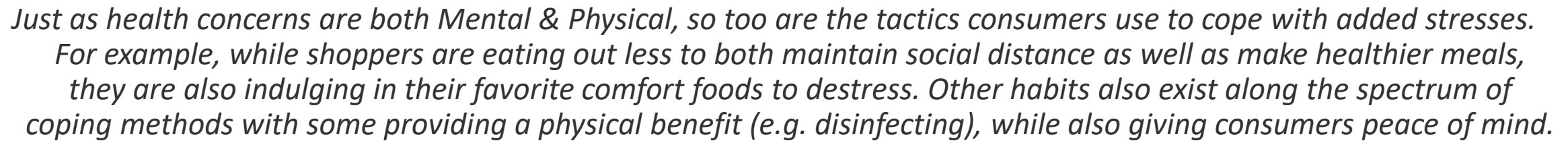
COVID RELATED STRESSES



HOW STRESS IMPACTS HEALTH: PHYSICAL VS. MENTAL HEALTH



 [CLICK TO PLAY VIDEO](#)



PHYSICAL HEALTH

MENTAL HEALTH



"During the pandemic I started buying more Vitamin C and Vitamin D. I stocked up on and cough medicine and I've been eating more healthy foods and exercising more. I'm becoming more conscious because health is so important to protection from COVID."

"We are using our dishwasher more often than we did before COVID because our dishwashing is important to making sure everything is sanitized."

"I feel like shampoos and conditioners really help boost my mood when they have a great scent and I'm taking a nice hot shower It's very relaxing."

*"I keep buying more of the Keebler cookies. It's a comfort food kind of thing. I don't eat to deal with stress, but **after a long day of work, its to have some familiarity.**"*

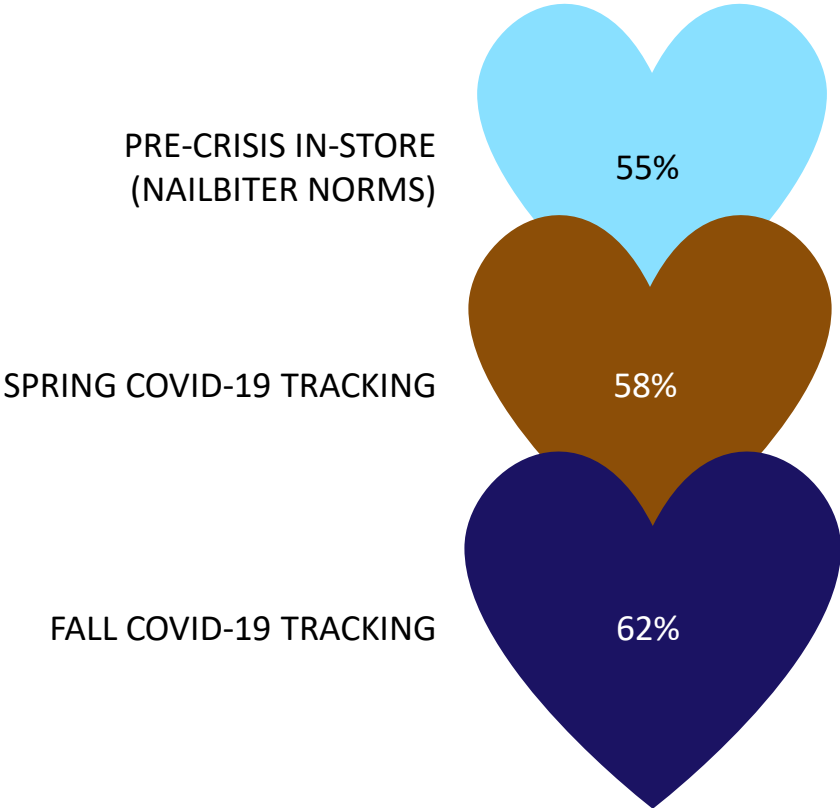


Food will continue to play an integral role in how consumers cope, and the habits they develop today may likely persist post-COVID



At the point of purchase, nearly 2 in 3 shoppers use brand as a key Reason for Purchase and this number has steadily grown. Shopper often turn to their go-to favorites to bring in normalcy during an anything-but-normal time.

BRAND AS A REASON FOR PURCHASE



"I am being extra cautious because of the pandemic and I **want something that I can trust** to keep frequently touched surfaces clean. I **know that Lysol All Purpose Cleaner can** that do with my kitchen counter and my bathroom. I **won't buy any other brand.**"



"The **Garnier Fructis** shampoos and conditioners really help **boost my mood** because they have a great scent to them and when I'm taking a nice hot shower and I've got **my brand** that I know smells really good. It's very relaxing."

"These **Chips Ahoy** cookies keep me sane right now. My family and I consume these on a regular basis. The fact that I know I **love these cookies** so I **keep getting them** and they just help me **keep me sane, especially when I get bored.**"

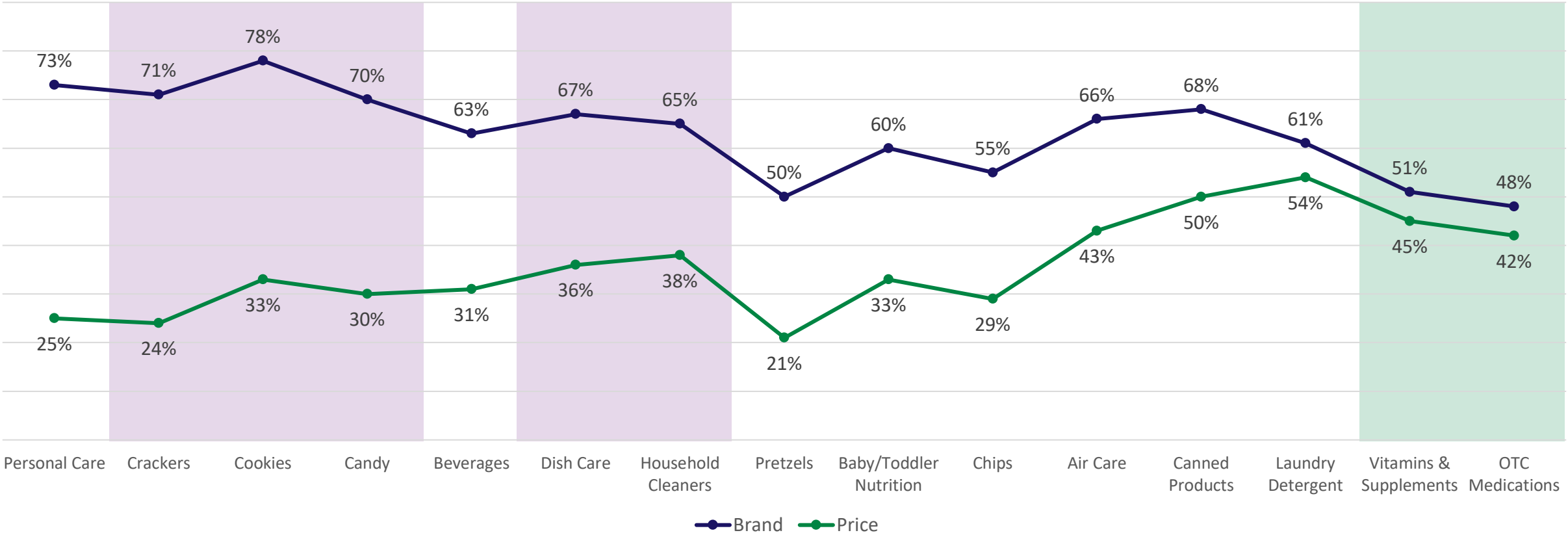



"We really love **Snyder's Pretzels** because they **make us feel better**. I eat lunch with my daughter **everyday** because her school is online. And so, we eat Snyder's at lunch because **we both love them and love trying the different flavors.**"



The role of brand is not the same across categories, and some categories like OTC Medications & Vitamins/Supplements, are prime examples of the growing role of price

REASONS FOR PURCHASE BY KEY CATEGORY



 In categories where consumers are becoming more price-sensitive, supporting brand equity now is vital to maintain relevancy



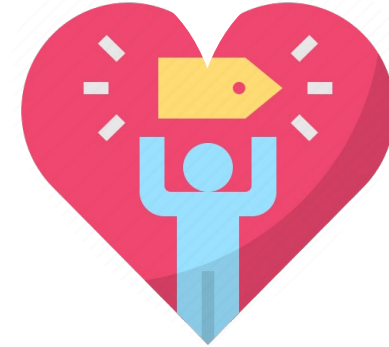
The upcoming holidays will be a difficult time for many, as they deal with losses from the pandemic or are kept away from their family due to safety concerns; however, they also offer an opportunity for healing through familiar traditions and spending time with those closest to them.



“That’s what sucks... holidays are a family time and you just want to see everybody. And then right now, being isolated, a lot of people – a lot of the elders – this is the time whenever they[get to] see nieces, aunts, uncles, cousins, grandkids. And so, I mean, it **may or may not happen this year, and that just makes me feel sad.”**

“We always just stay home Christmas Day open presents **do our little traditions keep it simple and keep that.”**

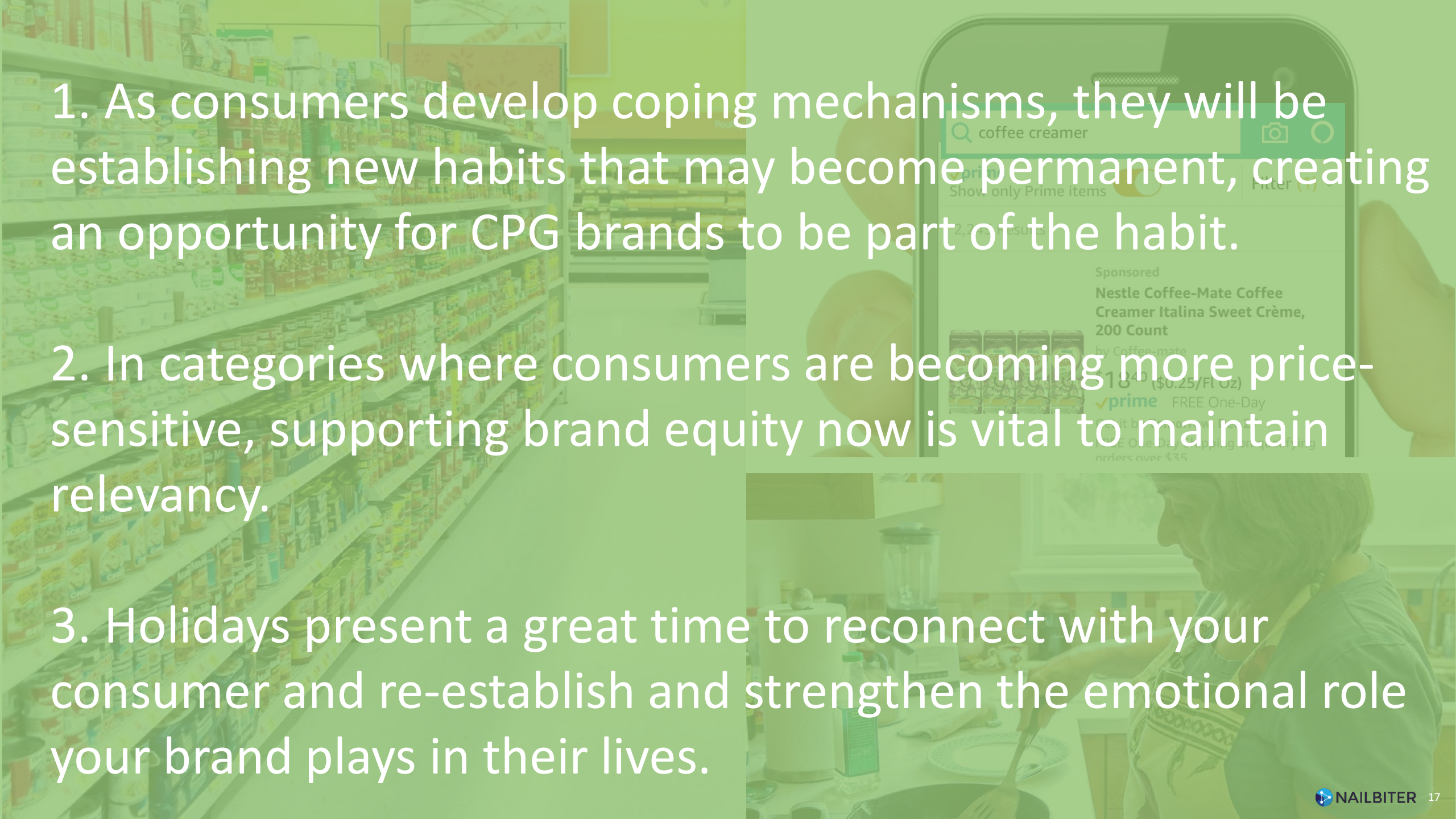
“I cope and manage the stress – to help protect my health and my family’s health – by eating good food that I like, such as my **traditional culture food** and then **keeping my house smelling nice with candles like these.”**



CLICK TO PLAY VIDEO



Holidays present a great time to reconnect with your consumer and re-establish and strengthen the emotional role your brand plays in their lives.



1. As consumers develop coping mechanisms, they will be establishing new habits that may become permanent, creating an opportunity for CPG brands to be part of the habit.

2. In categories where consumers are becoming more price-sensitive, supporting brand equity now is vital to maintain relevancy.

3. Holidays present a great time to reconnect with your consumer and re-establish and strengthen the emotional role your brand plays in their lives.



ALPHA-DIVER

We've added millions of new households – how can we tell how many will stick...?

Current behavior:
***NOT* predictive.**

**Psychological
reaction:**
Predictable.



Predictive reaction & levers we can influence:

Let's go back.

The **facts**.

- Focused on facts.
- Decide on rational factors (time, convenience, functional performance).
- More worried about the *virus*.
- Inclined to revert to previous behaviors & routines.

We have to change...

The *feels*.

- Focused on experiences.
- Decide on sensory, emotional factors (5 senses, pleasure).
- More worried about the *economy // culture*.
- Inclined to embrace new behaviors & routines.



3 questions provide ‘tells’ as to the durability of current behavior:

...

- 1. Do they talk about facts, or experiences?***
- 2. What do they like about eComm?***
- 3. What are they most worried about?***

Facts vs. Experiences

“We recently started buying a lot more soup...”

Let's go back.

***“It's a quick,
simple way to get
something
wholesome on the
table.”***

**We have to
change...**

***“I've actually
enjoyed making
meals and
learning some
new recipes.”***



Why eComm:

“It seems like I get an Amazon delivery every day...”

Let's go back.

*“It's convenient
and safe relative
to virus
exposure.”*

We have to
change...

*“I like how it
suggests things
based on my
purchase history –
and even TV shows
I might like!”*



Let's go back.

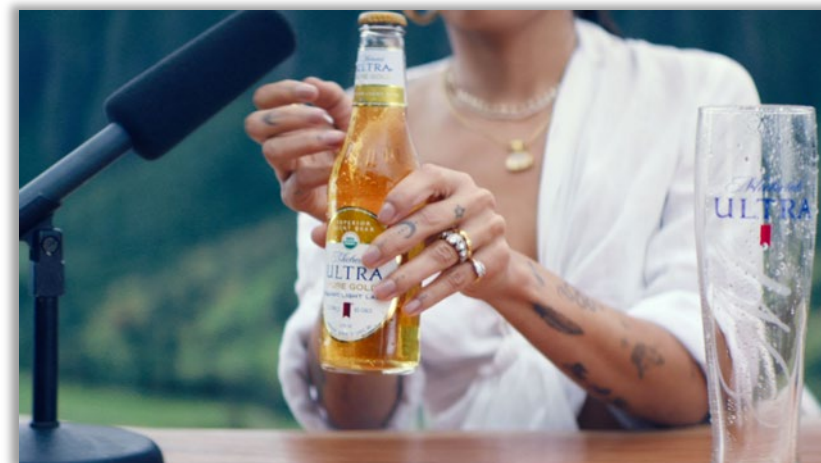
*Makes rational comparisons
using facts, words, numbers
– often attracted to store
brands as a result.*



Even in the face of economic pressure, products that **demonstrate tangible, verbal points of superiority** will overcome price challenges.

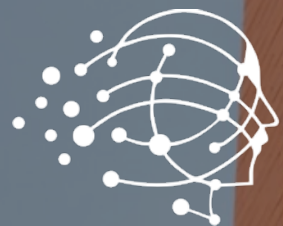
We have to
change...

*Decides based on the 5
senses – often attracted to
personalized, premium
brands as a result.*

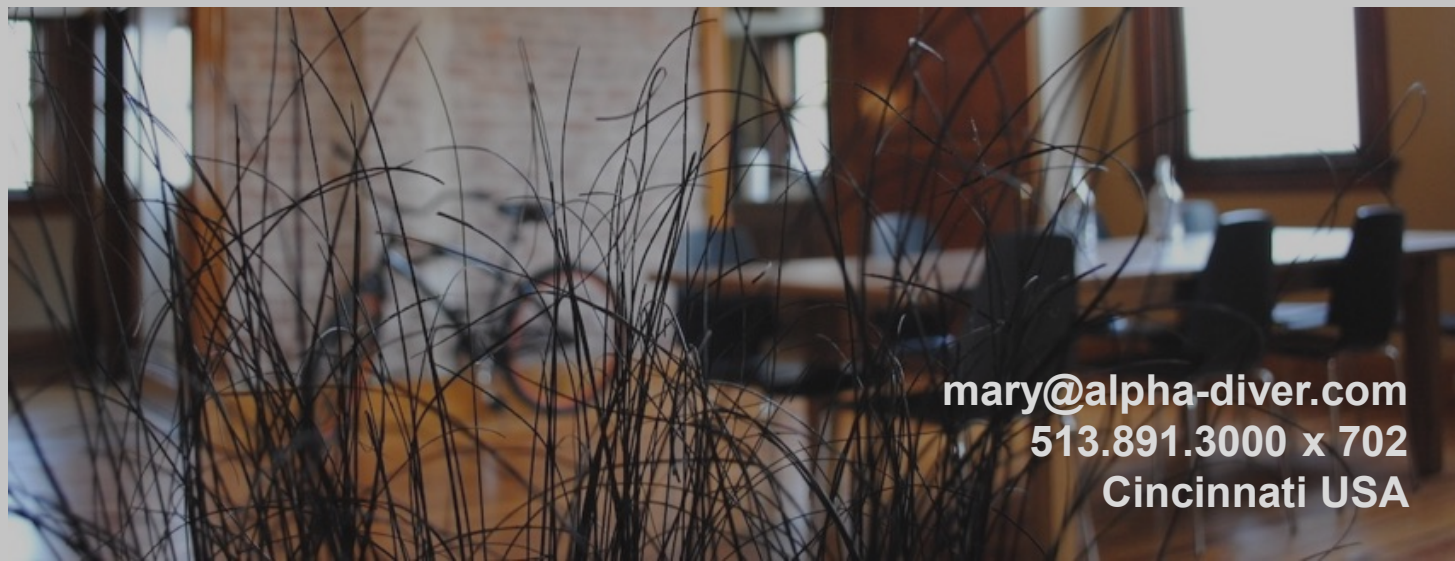


Even in the face of economic pressure, products that provide **high-sensory, pleasurable experiences** will overcome price challenges.





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